

# **EXHIBIT 1**



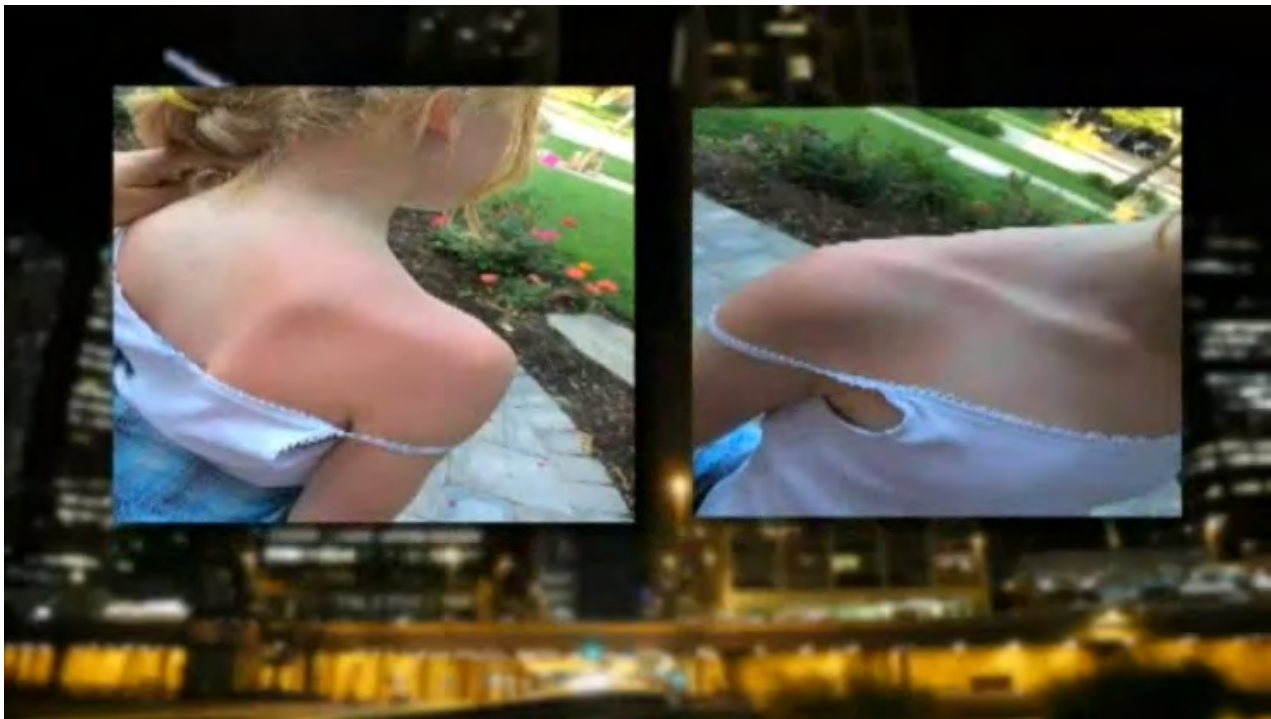
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## Burn Notice: Angry Parents, Sunburned Kids and Complaints About a Popular Brand of Sunscreen

Did a recent change prompt problems?

By Lisa Parker and Robin Green • Published July 23, 2015 • Updated on August 11, 2015 at 7:57 am



Complaints lodged in recent months raise questions about the efficacy of a brand of sunscreen many parents choose for its all-natural ingredient claims. Did a recent change in the company's formula prompt problems? The company says "no." NBC's Lisa Parker investigates.

Gretta Stabler admits that she is a sunscreen fanatic. The Naperville mom says she religiously slathers her daughters in sunscreen – head to toe – 20 minutes before heading to pool. And for good reason.

"I'm very diligent about using sunscreen on my kids," Stabler explained. "I have a very strong family history of skin cancer."

So, on a recent trip to Costco, she grabbed a sunscreen made by The Honest Company. The California business sells

all-natural products, and was founded by actress Jessica Alba. The sunscreen is labeled “ultra-pure” – a natural mineral-based sun protection with an SPF of 30: Ingredients Stabler says were appealing, at first.

“I used some of the brand’s products before,” Stabler said. “I was drawn by the fact it was a zinc-based sunscreen. It was a natural product not full of chemicals.”

On their first outing to the pool with the sunscreen, Stabler says she applied it on 6-year-old Maggie early and often. Four times total over a 3-hour period.

“She got really burned on her arms, shoulders, legs face, pretty much everywhere. I was angry,” Stabler said.

Mad, but motivated. She posted a warning to her neighbors on Facebook, with pictures and descriptions similar to these complaints NBC 5 Investigates found from parents across the country:

“Save money. Buy baby oil.”

“Worst sunscreen ever”

“Burnt to a crisp”

“I got 2nd degree burns”

“WARNING! Do not use!”

“Does not work AT ALL”

“Causes horrible burns”

“HORRIBLE ... doesn’t work”

“Bright red burns all over!”

We asked the Food and Drug Administration if The Honest Company sunscreen met minimum safety standards.

The FDA would only say it requires manufacturers to test their own products. The agency does not verify that testing or require companies to share results.

We also found at some point the company cut the amount of zinc oxide in the tubes from 20 percent to 9.3 percent. When it removed the zinc, the company says it added other ingredients to keep it effective.

The majority of other sunscreens we looked at that contain zinc oxide as the only active ingredient contain much more of the mineral – anywhere from 18 to 25 percent.

After seeing the rash of complaints NBC 5 Investigates visited some local stores and found the product was no longer on some store shelves, like Target where an employee told us it was “discontinued.” The shelves were nearly empty at the Nordstrom we visited, and “out of stock” for visitors to the company website. Which made us wonder: is the company quietly pulling a problem product?

The Honest Company says no, the sunscreen remains available at many retailers, on its website for Honest monthly subscribers with existing sunscreen orders, and has not been discontinued.

It maintains the product was tested by an independent third party according to FDA protocol, and is safe when used as directed. The company says it changed the formula in early 2015, largely to lessen whitening and to help ease application and feel, which was a feedback point from its customers.

When asked about the more than 200 complaints we counted, lodged online since April of this year, the company says it can't begin to hypothesize why certain customers might complain about any given product, and points out the number of complaints received on its own website is less than one-half of one percent of all its units sold at [honest.com](https://www.honest.com).

Chicago dermatologist Marjorie Rosenbaum could not comment on the Honest product, but says in general, consumers should not rely only on ingredient claims.

"All natural isn't necessarily good. And quote 'chemical' isn't necessarily bad," Rosenbaum explained. "I think sticking with the known products is probably a better idea than trying an off-label brand initially. They may be fine. But you don't have the background or accountability and the years of some of these others."

Back in Naperville, Gretta Stabler says her experience with the Honest Company has left her questioning whether the company lives up to its name.

"I'm not a chemist," said Stabler. "But when I buy a bottle that says SPF 30 on it and it has zinc oxide, I just thought I was getting her a bottle that would offer some protection."



**Major Update**

# EOS Lip Balm Lawsuit Updates: The Brand Is Compensating Customers Who Experienced Blisters and Rashes

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Affected customers will receive products, cash, or more as part of the class action lawsuit settlement.

By **Greg Seals**

November 2, 2016



With its bright packaging and adorable round shape, EOS lip balms have become a staple for pretty much anyone with a pulse and feelings about dry, chapped lips. But the beloved brand experienced a shakeup early this year when it was **hit with a class-action lawsuit** alleging that customers experienced rashes, blisters, and other negative side effects as a result of using the product.

The news first broke in early January when plaintiff Rachael Cronin filed a lawsuit against EOS because of the “flaking and bleeding” she experienced after applying her balm. “Within hours, her lips became substantially dry and coarse, what Ms. Cronin describes as feeling like ‘sandpaper,’” the lawsuit stated. “Ms. Cronin’s lips and surrounding skin area had severe blistering and rashes causing her to seek medical care.” It also said the packaging contained no warnings about potential adverse side effects.

Naturally, as these things tend to do, **the photos she posted online** went viral.

EOS essentially responded with a nothing to see here, affirming that its “products are made with the highest quality ingredients” and “meet or exceed all safety and quality standards set out by our industry,” also adding that customer safety was a top priority. But instead of a nasty court entanglement, the two **announced a settlement** only 15 days later. The plaintiff’s lawyer commended EOS for being “responsive to concerns” and for “doing the right thing” by adding more information on product packaging so buyers could make more informed purchasing decisions. EOS also asserted that quality is of its utmost importance and that its products are hypoallergenic.

Now, the case is back in the spotlight thanks to some digging by **Buzzfeed News**, which obtained settlement agreement documents stating that EOS will be settling at least 10 related class-action lawsuits and offering compensation. Though the preliminary



agreement still requires a signature from a judge, those affected could get reimbursed with products, cash, or more depending on their reactions to the product. “Affected consumers are eligible to receive either \$75 for verified medical expenses, a \$15 cash award, \$20 worth of EOS products, or up to \$4,000 depending on their injuries,” BuzzFeed News reports.

We reached out to EOS for comment, who provided the following statement:

*"We are pleased with this amicable resolution of the lawsuits brought against EOS earlier this year. We stand behind our products and the ingredients we use, and the settlement does not warrant any changes to our product formulations. All of our products meet or exceed all safety and quality standards set by our industry and are validated by rigorous safety testing conducted by independent labs. Our customers are always our top priority, and we remain committed to delivering innovative beauty products that are safe, effective, and bring joy to EOS fans."*

At this time, it's still unclear who exactly is eligible to receive compensation (i.e. whether recipients had to be a part of the lawsuits or not), but we'll be sure to report back as more information becomes available.

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